

107TH CONGRESS
1ST SESSION

H. R. 794

To amend the Internal Revenue Code of 1986 to extend the section 29 credit for producing fuel from a nonconventional source.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2001

Mr. MOORE (for himself, Mr. MORAN of Kansas, Mr. TANNER, Mr. STENHOLM, Ms. MCCARTHY of Missouri, Mr. SANDLIN, Mr. CONDIT, Mr. LANTOS, Mr. MCGOVERN, Mr. ABERCROMBIE, and Mr. SHOWS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to extend the section 29 credit for producing fuel from a nonconventional source.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Energy Security for
5 American Consumers Act of 2001”.

1 **SEC. 2. EXTENSION OF CREDIT FOR PRODUCING FUEL**
 2 **FROM A NONCONVENTIONAL SOURCE.**

3 (a) EXTENSION OF CREDIT.—Subsection (f) of sec-
 4 tion 29 of the Internal Revenue Code of 1986 (relating
 5 to credit for producing fuel from a nonconventional
 6 source) is amended—

7 (1) in paragraph (1)(A), by inserting before
 8 “or” the following: “or from a well drilled after De-
 9 cember 30, 2000, and before January 1, 2012,”,

10 (2) in paragraph (1)(B), by inserting before
 11 “and” at the end the following: “or placed in service
 12 after December 30, 2000, and before January 1,
 13 2012,” and

14 (3) by striking paragraph (2) and inserting the
 15 following:

16 “(2) which are—

17 “(A) sold before January 1, 2003, in the
 18 case of wells drilled or facilities placed in serv-
 19 ice before January 1, 1993, and

20 “(B) sold before January 1, 2014, in the
 21 case of wells drilled or facilities placed in serv-
 22 ice before January 1, 2012.”.

23 (b) REDUCTION IN AMOUNT OF CREDIT BY 20 PER-
 24 CENT PER YEAR STARTING IN 2010.—Subsection (a) of
 25 section 29 of such Code is amended to read as follows:

26 “(a) ALLOWANCE OF CREDIT.—

1 “(1) IN GENERAL.—There shall be allowed as a
 2 credit against the tax imposed by this chapter for
 3 the taxable year an amount equal to—

4 “(A) the applicable amount, multiplied by

5 “(B) the barrel-of-oil equivalent of quali-
 6 fied fuels—

7 “(i) sold by the taxpayer to an unre-
 8 lated person during the taxable year, and

9 “(ii) the production of which is attrib-
 10 utable to the taxpayer.

11 “(2) APPLICABLE AMOUNT.—For purposes of
 12 paragraph (1), the applicable amount is the amount
 13 determined in accordance with the following table:

“In the case of taxable years beginning in calendar year:	The applicable amount is:
2002 to 2011	\$3.00
2012	\$2.60
2013	\$2.00
2014	\$1.40
2015	\$0.80
2016 and thereafter	\$0.00.”

14 (c) CREDIT ALLOWED AGAINST BOTH REGULAR TAX
 15 AND ALTERNATIVE MINIMUM TAX.—Paragraph (6) of
 16 section 29(b) of such Code is amended to read as follows:

17 “(6) APPLICATION WITH OTHER CREDITS.—

18 The credit allowed by subsection (a) for any taxable
 19 year shall not exceed the excess of—

1 “(A) the sum of the regular tax liability
 2 (as defined in section 26(b)) plus the tax im-
 3 posed by section 55, over

4 “(B) the sum of the credits allowable
 5 under this part (other than subpart C and this
 6 section) and under section 1397E.”

7 (d) QUALIFIED FUELS TO INCLUDE HEAVY OIL.—
 8 Subsection (c) of section 29 of such Code (defining quali-
 9 fied fuels) is amended—

10 (1) in paragraph (1), by striking “and” at the
 11 end of subparagraph (B), by striking the period at
 12 the end of subparagraph (C) and inserting “, and”,
 13 and by adding at the end the following new subpara-
 14 graph:

15 “(D) heavy oil, as defined in section
 16 613A(c)(6)(7).”, and

17 (2) by adding at the end the following new
 18 paragraph:

19 “(4) SPECIAL RULE FOR HEAVY OIL.—Heavy
 20 oil shall be considered to be a qualified fuel only if
 21 it is produced from a well drilled, or in a facility
 22 placed in service, after the date of the enactment of
 23 the Energy Security for American Consumers Act of
 24 2001, and before January 1, 2012.”

1 (e) BARREL-OF-OIL EQUIVALENT IN THE CASE OF
2 NATURAL GAS.—Paragraph (5) of section 29(d) of such
3 Code is amended by adding at the end the following: “In
4 the case of natural gas, the term means MCF (determined
5 at standard temperature and pressure).”

6 (f) APPLICABILITY TO CERTAIN FACILITIES.—Para-
7 graph (1) of section 29(g) of such Code is amended to
8 read as follows:

9 “(1) IN GENERAL.—In the case of a facility for
10 producing qualified fuels described in subparagraph
11 (B)(ii) or (C) of subsection (c)(1), for purposes of
12 subsection (f)(1)(B), such facility shall be treated as
13 being placed in service before January 1, 1993, if
14 such facility is placed in service before July 1, 1998,
15 pursuant to a binding written contract in effect be-
16 fore January 1, 1997.”.

17 (g) EFFECTIVE DATE.—The amendments made by
18 this Act shall apply to taxable years beginning after De-
19 cember 31, 2001.

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